

School-Based Services Cost Report Training

Presented by the Department of
Health and Family Services

May 23, 2007

Introductions & Housekeeping

- Introductions
 - Curtis Cunningham, Section Chief, DHFS
 - Steve Cummings, APS Healthcare
 - Karyn Kriz, APS Healthcare
- Housekeeping
 - Everyone should hit the “Ask” button at least once
 - Hit the “Ask” button to send in any questions throughout the presentation
 - Download sample SBS cost report from http://dhfs.wisconsin.gov/medicaid/sbs_56/index.htm
 - Next webcast will be on Friday, June 1, 2007, at 10:00am. The webcast will provide information on the revised time study.

Training Overview

- New MAC reimbursement methodology
- New SBS reimbursement methodology
- Steps for completing the SBS cost report
- SBS cost report documentation requirements
- Key points

MAC Program

- Medicaid Administrative Claiming (MAC) – enables school districts and Cooperative Educational Service Agencies (CESAs) to receive federal reimbursement for Medicaid administrative and outreach activities
- The MAC program began in 1998 and has brought in approximately \$3 million of federal dollars annually since 2000.

SBS Program

- School-Based Services (SBS) - allows school districts to receive federal reimbursement for medical services in Medicaid students' IEPs.
- The SBS program began in 1995 and has brought in approximately \$33 million of federal dollars annually since 2000.

Key Points/Deadlines

- For SBS, we need salaries and benefits for all people on the SBS cost report.
- SBS cost reports will be emailed to districts by July 31, 2007 and must be completed and returned to the State by October 31, 2007.
- For MAC, we need salaries and benefits for all people performing MAC.
- MAC salary worksheets will be emailed to districts by July 31, 2007 and must be completed and returned to the State by October 31, 2007.

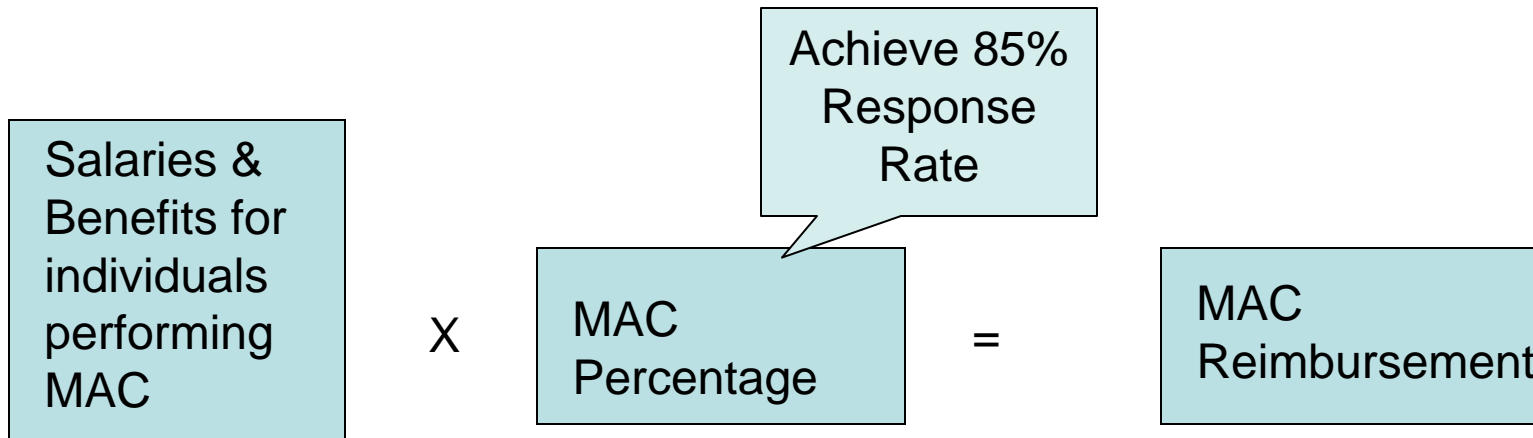
Key Points/Deadlines

- Providers should anticipate audits.
- New WUFAR accounts required beginning July 1, 2007.
- Bill for all medical services for each Medicaid student at least once per service area.
- Bill for all transportation services provided to Medicaid recipients.
- Must achieve an 85% statewide response rate on the time study.

Changes to MAC Reimbursement Methodology

- Old methodology: districts provided salaries for time study participants for the month during which they completed their time study.
- New methodology: districts will provide annual salaries and benefits for all district employees performing MAC.
- Will provide districts with a salaries worksheet in July when we send out SBS cost reports.

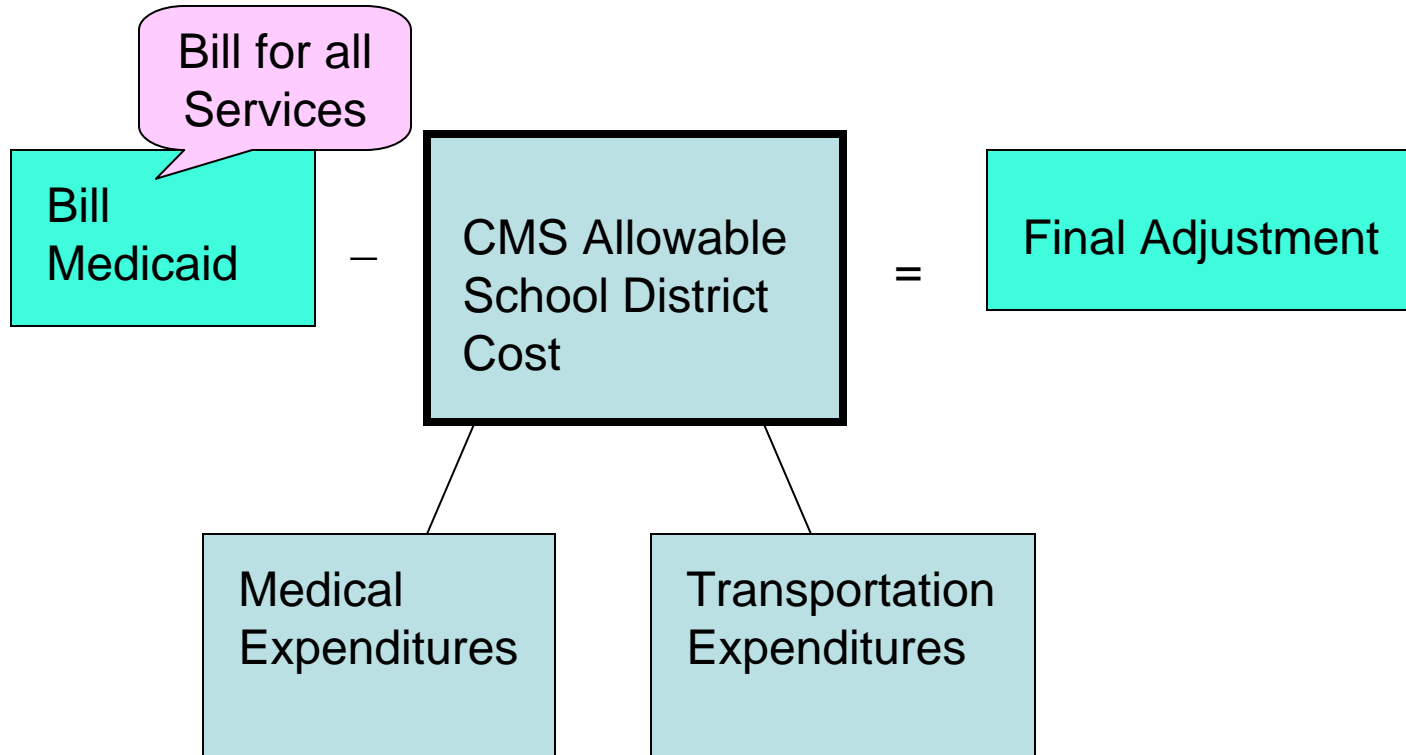
New MAC Reimbursement Methodology



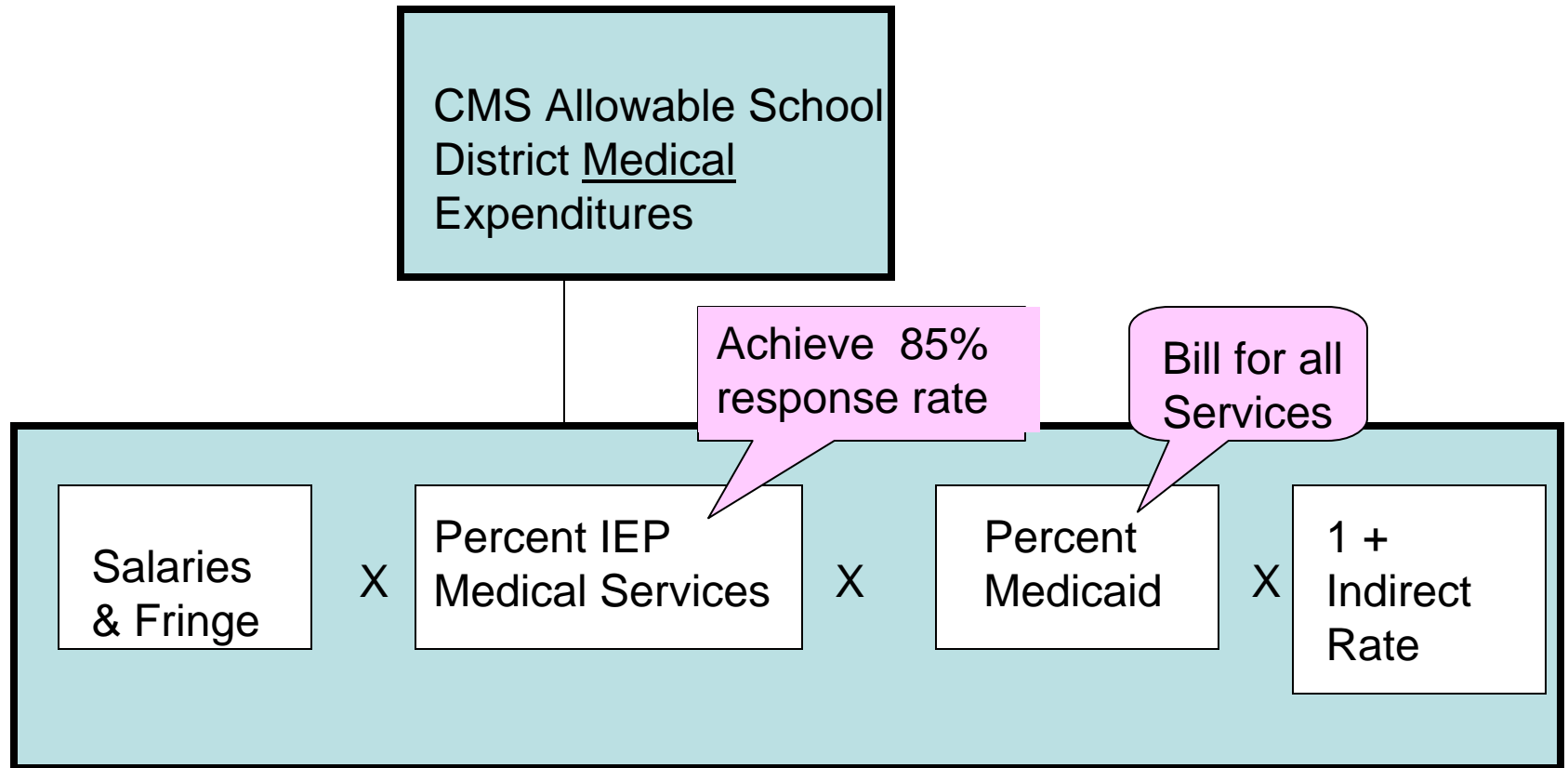
Changes to SBS Reimbursement Methodology

- Old methodology: districts completed a report certifying SBS expenditures, however, no time study was needed and there was no reconciliation of interim payments to cost.
- New methodology
 - Districts must complete a more extensive SBS cost report that adjusts payments to cost.
 - Districts must participate in the time study to determine IEP medical services cost.
 - Costs must be reconciled with interim payments and a final adjustment must be made to ensure reimbursements do not exceed costs.

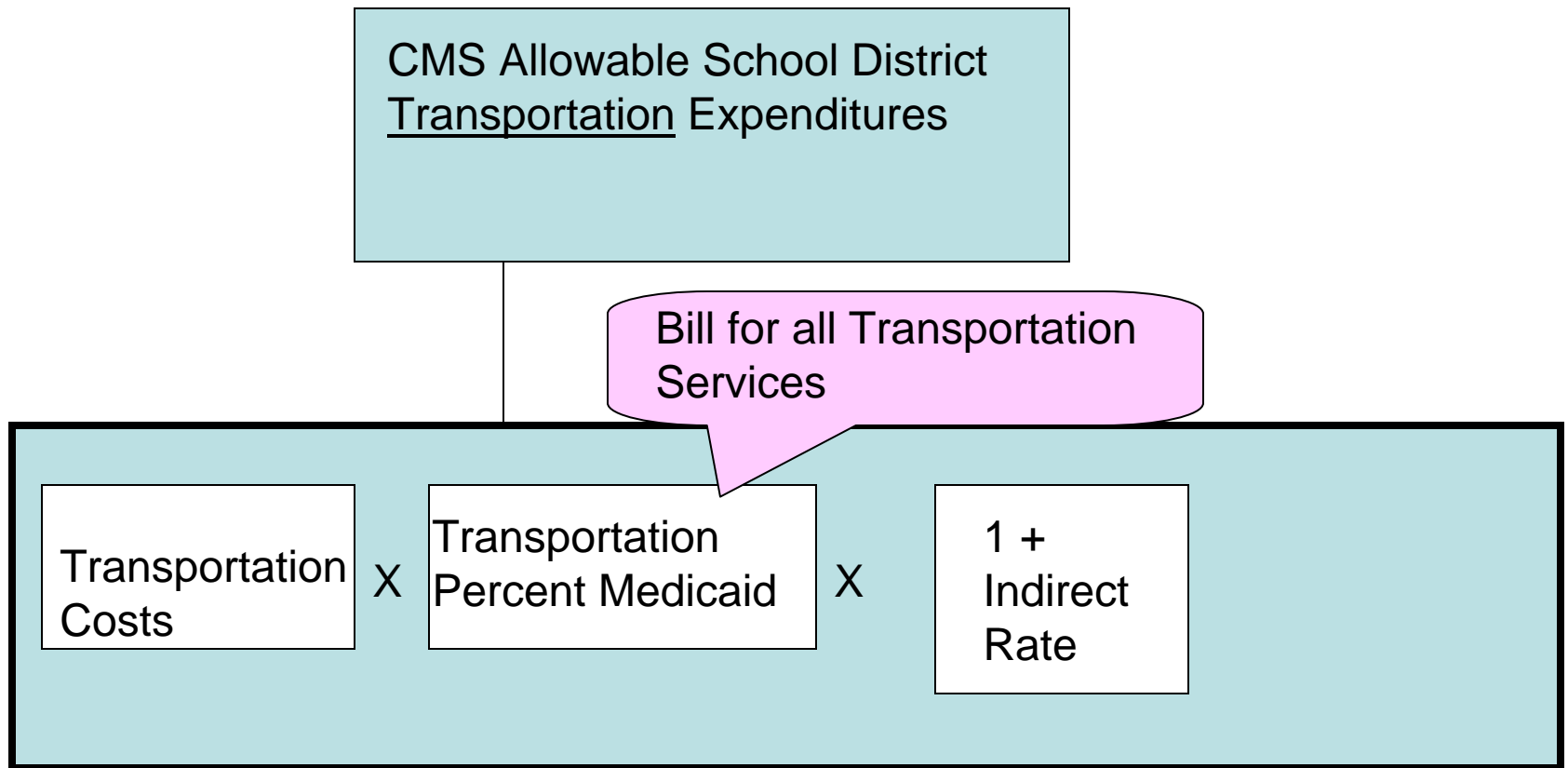
New SBS Reimbursement Methodology



Determining CMS Allowable School District Cost for Medical Expenditures



Determining CMS Allowable School District Cost for Special Education Transportation



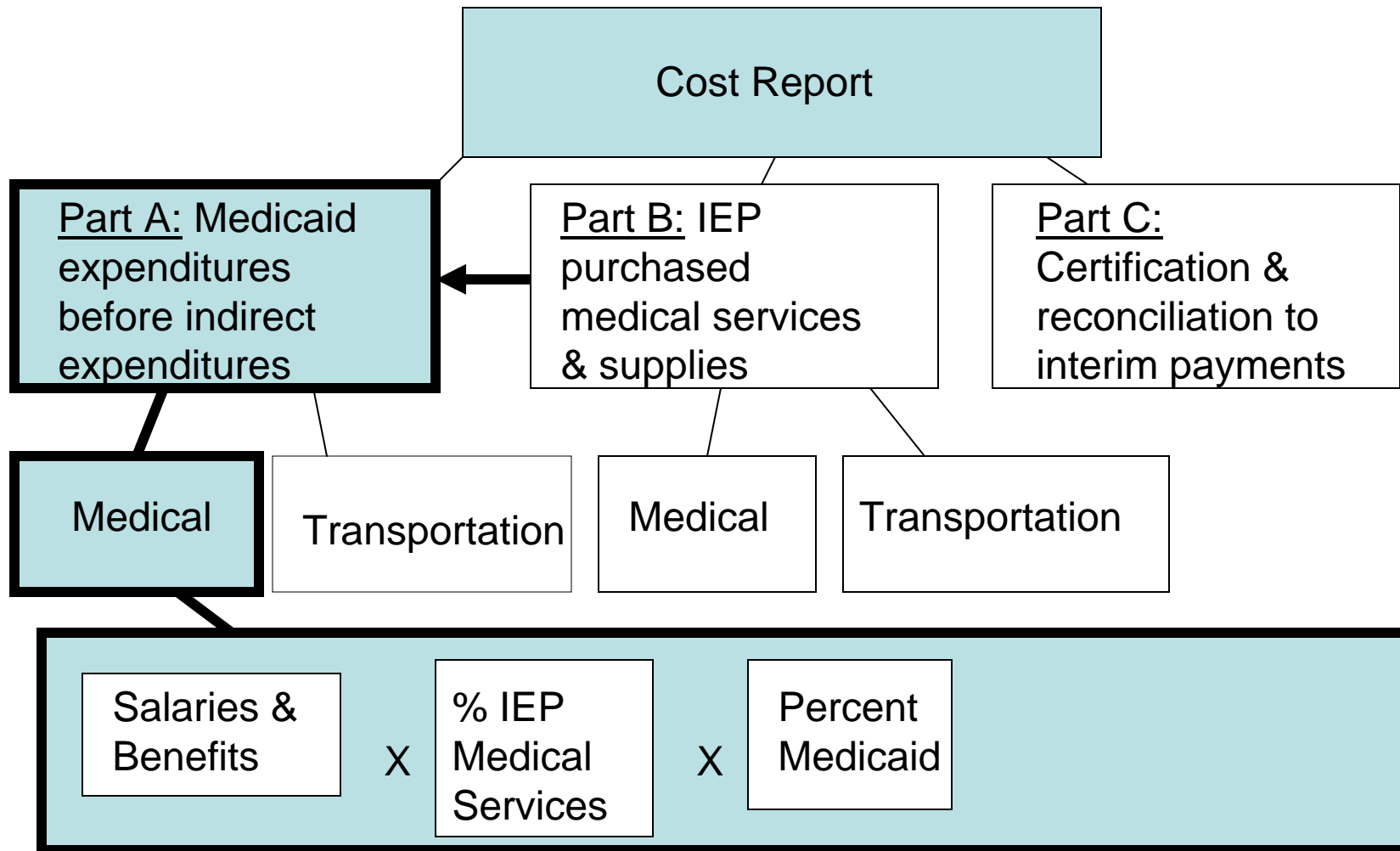
Cost Report Overview

- Cost report has 3 parts: Parts A, B, and C
 - Part A: IEP Medicaid expenditures before indirect expenditures
 - Part B: IEP purchased medical services and medical supplies.
 - Part C: Certification and reconciliation to interim payments.

Terminology for Cost Report

- Fund 27 – special education fund
- Project 11 – state categorical aid aidable cost
- WUFAR – Wisconsin Uniform Financial Accounting Requirements
- Object Code – Identifies financial accounts included in the WUFAR
- Function – Identifies a grouping of activities to which costs can be assigned.
- Service Area – groupings on cost report

Part A: Medicaid Medical Exp. Before Indirect Exp.



Compensation Data Worksheet

- This information must be kept on file at districts, but may be kept in any format.
- Information must be complete for all individuals included on cost report.
- Includes Project 11 salaries and benefits (Fund 27 and all other Funds)

Part A (Pg.1): Medical Medicaid Expenditures

- Salaries and Benefits
 - Columns E & F – Fund 27, Project 11 salaries and employee benefits for each personnel category.
 - Columns G & H – Project 11 salaries and employee benefits that are not in Fund 27 for personnel included on cost report.
 - Columns I & J – Project 11 salaries and employee benefits for CESA employees who perform medical services in the school district.

Example

- A registered nurse has a salary of \$40,000 for work in special education and \$20,000 for work in regular education.
 - \$40,000 would be recorded in Column E (Fund 27, Project 11 salaries)
 - \$20,000 would be recorded in Column G (additional salary for individuals in Fund 27)

Part A: Medical Medicaid Expenditures

Continued

- Column K – enter Project 11 occupational and physical therapy purchased services.
- Column L – sums salaries & benefits and purchased OT and PT services
- Column M - % IEP medical services from time study
- Column N – multiplies expenditures by the % IEP medical services

Importance of Time Study

- Salaries and benefits of social workers (Column L) in District A total \$100,000.
- Time study shows that practitioners in Wisconsin spend 25% of their time on IEP medical services (Column M).
- IEP medical expenditures (Column N) equals \$25,000 ($\$100,000 \times 25\%$).
- Example: If state achieves less than an 85% response rate on time study, for example 84%, there is an anticipated 16% loss of federal funds. IEP medical expenditures would then be reduced by \$4,000 to equal \$21,000.

Part A: Medical Medicaid Expenditures

Continued

- Column O – IEP purchased medical services and medical supplies from Part B
- Column P – total IEP medical expenditures
- Column Q - State will provide the number of Medicaid students receiving a particular IEP medical service – bill for each student at least once per service area.
- Column R - Districts should have the number of students receiving a particular IEP medical service.

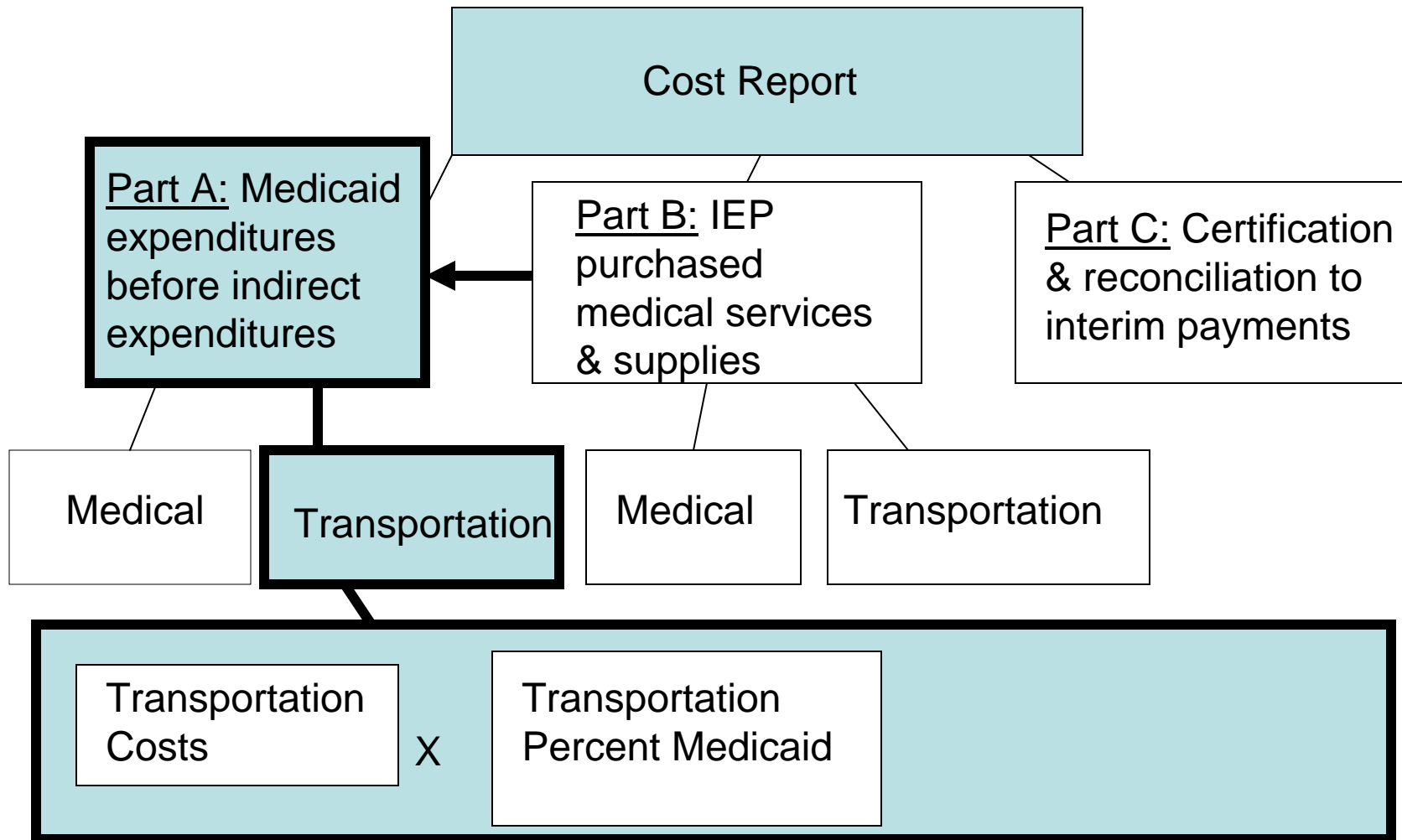
Part A: Medical Medicaid Expenditures Continued

- Column S – ratio of Medicaid to total IEP students receiving a medical service by service area.
- Column T – multiplies total IEP medical expenditures by the IEP percent Medicaid

Importance of Billing Medicaid

- District A has \$100,000 of IEP medical expenditures (Column P) in Psychological services area.
- 100 IEP students received psychological services, of which 50 were Medicaid eligible.
- Medicaid expenditures if District A bills at least once for X number of Medicaid students' psychological services:
 - 20 students: \$20,000 ($\$100,000 \times 20/100$)
 - 30 students: \$30,000 ($\$100,000 \times 30/100$)
 - 50 students: \$50,000 ($\$100,000 \times 50/100$)

Part A (Pg2): Transportation Exp. Before Indirect Exp.



Part A: Transportation Medicaid Expenditures

- Salaries & benefits for special education bus drivers and bus aides
 - Columns E & F - Projects 11 and 19 salaries and employee benefits for district employees.
 - Columns I & J - Project 11 salaries and employee benefits for CESA special education bus drivers and bus aides who provide transportation services for the school district.
- Column K – enter Projects 11 and 19 contracted transportation services.

Part A: Transportation Medicaid Expenditures Continued

- Column O - Special education school bus depreciation and operating costs are transferred here from Part B.
- Column P – sums special education transportation expenditures.
- Column Q - the State will provide the number of one-way trips that Medicaid eligible IEP students travel to a Medicaid service – bill for each one-way trip.
- Column R - the Districts will provide the number of one-way student trips on IEP transportation

Part A: Transportation Medicaid Expenditures Continued

- Column S – the ratio of Medicaid to total one-way student trips.
- Column T – multiplies the total special education transportation expenditures by the transportation percent Medicaid.

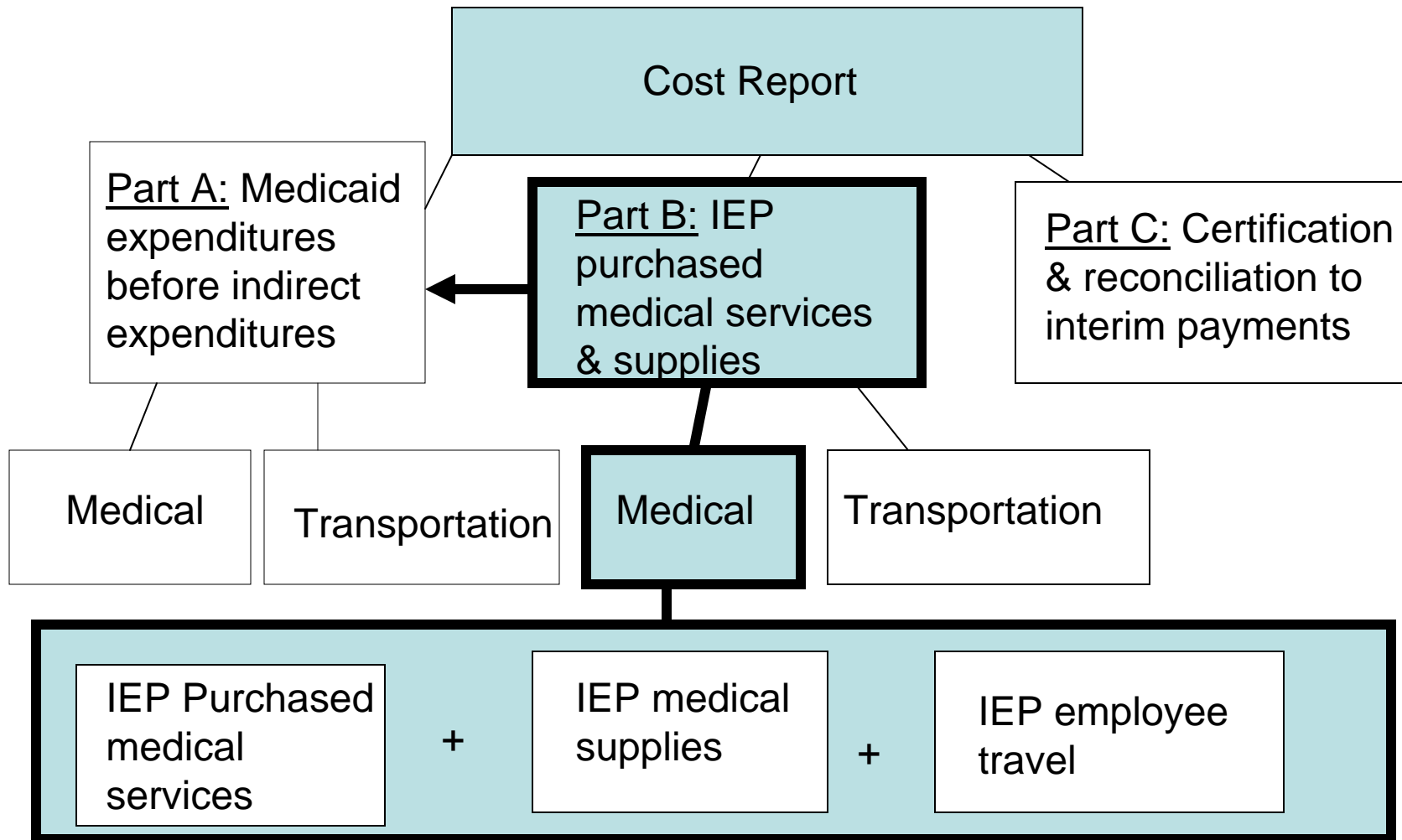
Importance of Billing Medicaid

- Total special education transportation expenditures (Column P) are \$500,000 for District A.
- District A has 100,000 total special education one-way student trips, 30,000 of which were for Medicaid students.
- Medicaid expenditures if District A bills for X number of Medicaid one-way student trips:
 - 20,000 one-way trips: \$100,000 ($\$500,000 \times 20,000/100,000$)
 - 30,000 one-way trips: \$150,000 ($\$500,000 \times 30,000/100,000$)

Steps for Completing Cost Report – Part A Medicaid Activities

- Enter directly identified Project 19 clerical support staff salaries & benefits from function 223 300 that relate directly to Medicaid billing for a direct IEP medical service.

Part B: IEP Purchased Medical Services & Medical Supplies



Part B: IEP Purchased Medical Services & Medical Supplies

- IEP purchased medical services provided by a qualified provider.
 - Personal services
 - Contracted service travel
 - Payment to municipalities
 - Payment to county
 - Payment to WTCS

Part B: IEP Purchased Medical Services & Medical Supplies

- Medical supplies used to perform IEP medical services
- Employee travel required to perform IEP medical services.
- Districts must maintain invoices to support these costs for the 2006-07 cost reports.
- New WUFAR accounts established for reporting these costs beginning July 1, 2007

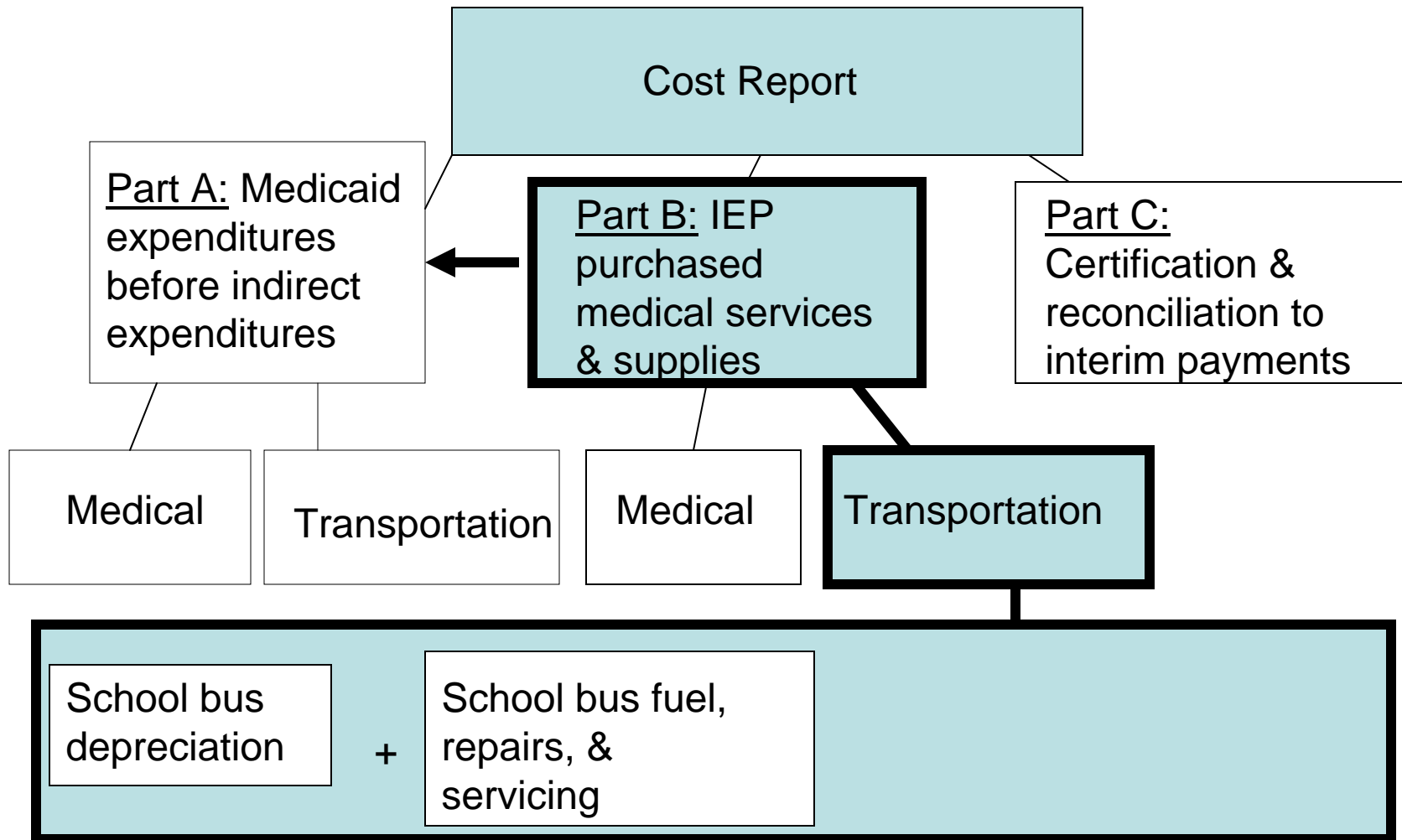
New WUFAR Accounts

- Object 311 – IEP Personal Purchased Medical Services
- Object 344 – Contracted Service Travel for IEP Medical Services
- Object 390 – Intergovernmental Payments for IEP Medical Services
- Object 391 – Payments to Municipalities for IEP Purchased Medical Services

New WUFAR Accounts Cont'd

- Object 395 – Payment to County for IEP Purchased Medical Services
- Object 399 – Payment to WTCS for IEP Purchased Medical Services
- Object 418 – Medical Supplies for IEP Medical Services
- Object 346 – Employee Travel for IEP Medical Services

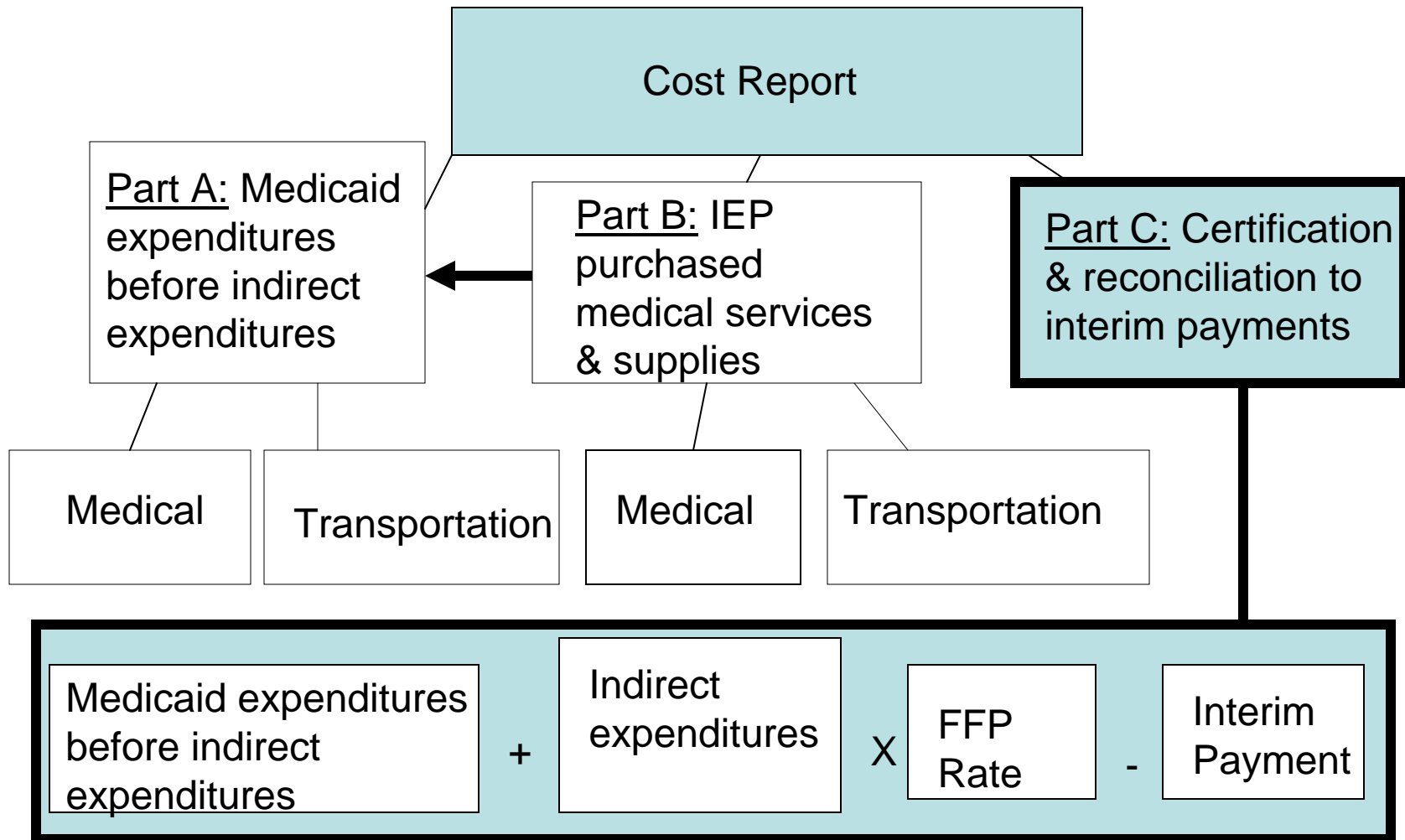
Part B: Special Education School Bus Depreciation & Operating Costs



Part B: Special Education School Bus Depreciation & Operating Costs

- SBS transportation costs
 - Special education school bus depreciation
 - Special education school bus vehicle fuel
 - Special education school bus vehicle repairs
 - Special education school bus vehicle servicing
- Note: contracted transportation costs are reported in Column K on Part A. Costs on Part B are for buses owned and operated by the district.

Part C: Certification & Reconciliation to Interim Payments



Part C: Certification & Reconciliation to Interim Payments

- The numbers on Part C are all transferred from Part A or are pre-filled by the State.
- Line 1 – Medicaid expenditures before indirect expenditures transferred from Part A.
- Line 2 – unrestricted indirect rate from DPI
- Line 3 – unrestricted indirect expenditures
- Line 4 – Total expenditures (direct and indirect)

Part C: Certification & Reconciliation to Interim Payments Cont'd

- Line 5 – Federal financial participation rate
- Line 6 – Federal share of Medicaid certified program expenditures
- Line 7 – total Federal interim payment
- Line 8 – total Federal over-or-underpayment
- Districts must sign and date this certification sheet.

Documentation Requirements

- Compensation Data Worksheet
- Invoices documenting IEP purchased medical services, IEP medical supplies & IEP employee travel reported on Part B.
- Number of students receiving IEP medical services by service area.
- Number of one-way IEP student trips.

Key Points/Deadlines

- Need salaries and benefits for all people on the SBS cost report.
- SBS cost reports will be emailed to districts by July 31, 2007 and must be completed and returned to the State by October 31, 2007.
- Need salaries and benefits for all people performing MAC.
- MAC salary worksheets will be emailed to districts by July 31, 2007 and must be completed and returned to the State by October 31, 2007.

Key Points/Deadlines

- Providers should anticipate audits.
- New WUFAR accounts required beginning July 1, 2007.
- Bill for all Medicaid students at least once by service area.
- Bill for all transportation services.
- Must achieve an 85% statewide response rate on the time study.

Questions



Contact Information

- Toll-free SBS Hotline: 1-888-322-1006
- Email: SBSCostReports@dhfs.state.wi.us